

ACTION MOLD & MACHINING, INC.

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Industry Supplier to Michigan Greenhouses – Action Mold & Machining, Inc.

Thank you Chairman Hune and members of the committee for the opportunity to speak with you today regarding the issue of sales tax and horticulture exemption.

My name is Mike Fassbender and my brother Greg and I are the owners of Action Mold & Machining, Inc. in Grand Rapids, Mi.

1. Action Mold & Machining, Inc. is a supplier to the Michigan agriculture and greenhouse industry. Action Mold builds injection mold tooling and manufactures injection molded flower pots in our Grand Rapids facility employing approximately 40 staff with a payroll over \$ 2,000,000. Action Mold has been in business in Grand Rapids since the fall of 1997.
2. Action Mold produces about \$ 2,000,000 of greenhouse products currently, and with recent capital additions, this could grow by double if competitively managed.
3. Action Mold competes with China and Mexico for flower pot business which produces thin margins to work within. We are convinced China and Mexico do not pay reasonable living wages to their workers and are not bound by environmental standards similar to the U.S. and Michigan companies.
4. As a supplier to the agriculture and greenhouse businesses in Michigan, we are convinced that Michigan's growers would rather buy American as long as there is not a pricing premium to do so. As a Michigan manufacturer, we currently operate at break even or a small loss, with a target of higher volume to improve our income position.
5. As a supplier, we would be in favor of a leveling tariff on plastic pots produced in countries that do not pay a reasonable living wage or abide by reasonable environmental standards.
6. In lieu of a tax, consideration of a seven year "grow the industry plan" that encourages investment and tax relief for Michigan businesses in direct competition with China or Mexico for agriculture and greenhouse products, would be best for Michigan workers and business, in our opinion.
7. I am asking you to support HB 4561 which will help keep our greenhouse industry competitive.
8. Mr. Chairman and members of the committee – thank you. I am available to answer questions, if any.

National Tooling &
Machining Association



Member